



MALDIVES
INLAND REVENUE
AUTHORITY



Q3

QUARTERLY REPORT

Q3 / 2019



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ABBREVIATIONS

18Q1	2018, First Quarter
18Q2	2018, Second Quarter
18Q3	2018, Third Quarter
18Q4	2018, Forth Quarter
19Q1	2019, First Quarter
19Q2	2019, Second Quarter
19Q3	2019, Third Quarter
19Q4	2019, Forth Quarter
ASC	Airport Service Charge
ADF	Airport Development Fee
ATF	Airport Taxes and Fees
BPT	Business Profit Tax
CPD	Continuing Professional Development
GGST	Goods and Services Tax (Non-Tourism Sector)
GST	Goods and Services Tax (refers to both TGST and GGST)
GRT	Green Tax
MIRA	Maldives Inland Revenue Authority
MVR	Maldivian Rufiyaa
TGST	Goods and Services Tax (Tourism Sector)
USD	United States Dollar
WHT	Withholding Tax

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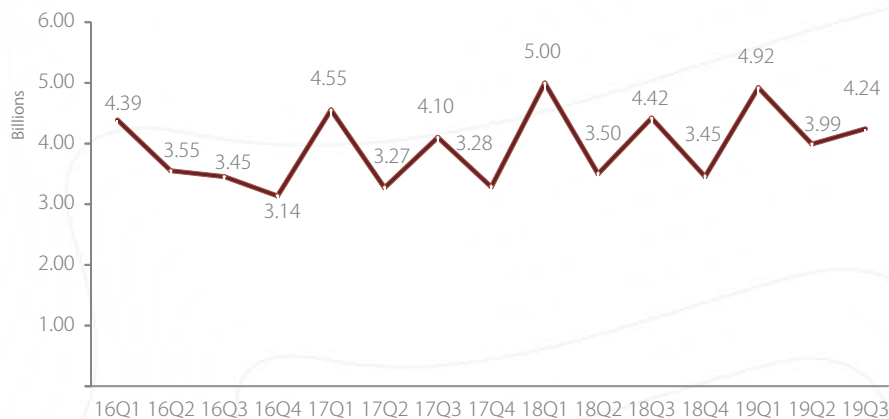


A. REVENUE COLLECTION

I. TOTAL REVENUE COLLECTION

1.1

TOTAL REVENUE COLLECTION



MVR 4.24 billion
Total collection, inclusive of USD collection

- 4.0%
compared to 18Q3

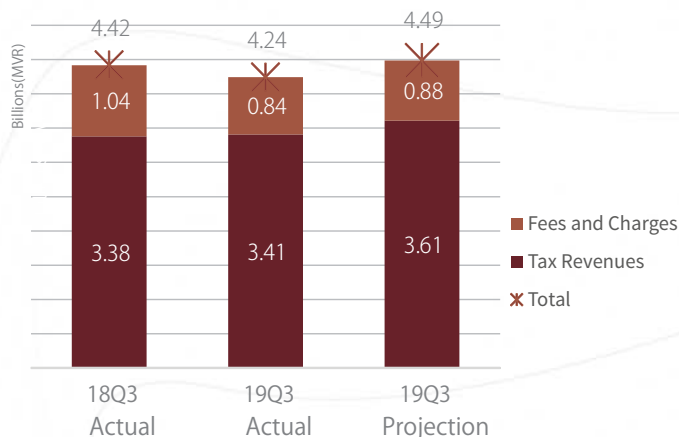
- 5.4%
compared to projection for the quarter

The quarterly revenue collection sums to MVR 4.24 billion in 19Q3. Quarterly revenue declined compared to the revenue collected in the corresponding quarter of 2018 and projection for 19Q3 by 4.0% and 5.4%, respectively.

As a result of the decrement in collection of BPT, GGST and Tourism Land Rent, the 19Q3 revenue is lower than the revenue of 18Q3. Additionally, in 18Q3 one-off payments were received to extend the lease period of a resort for 99 years, along with acquisition payments for leased islands, which led to further gap in revenue collected, compared to 18Q3. Increment observed for Airport Service Charge, Airport Development Fee and TGST did set-off the decrement in revenue realized for 19Q3.

In comparison to the forecasted revenue, revenue of 19Q3 also declined, mostly due to non-compliance of the taxpayers who were liable to pay GST, BPT and Tourism Land Rent for the quarter.

1.2
REVENUE COMPOSITION OF 19Q3



TAX REVENUES

MVR 3.41 billion

+ 0.7%
compared to 18Q3

- 5.6%
compared to projection for the quarter

NON-TAX REVENUES

MVR 836.48 million

- 19.3%
compared to 18Q3

- 4.5%
compared to projection for the quarter

TAX REVENUES

Out of the tax revenues, Bank Profit Tax, Airport Service Charge, Green Tax, TGST and Remittance Tax collection increased compared to 18Q3. Banks with the highest market share paid in July 2019, whereas in 2018 those banks paid a month prior to the deadline. This in turn did set-off the decrement observed for BPT, GGST and Sale of Revenue Stamp for 19Q3.

Compared to 18Q3, TGST and Green Tax collection increased due to the favorable increment in tourist arrivals in this quarter. Furthermore, as departures from Airports of Maldives to abroad increase by 12.7% compared to 18Q3, revenue collected from Airport Service Charged increased.

Compared to the forecast, performance of the main tax revenues, such as GGST and BPT, are unfavorable due to high non-compliance rate.

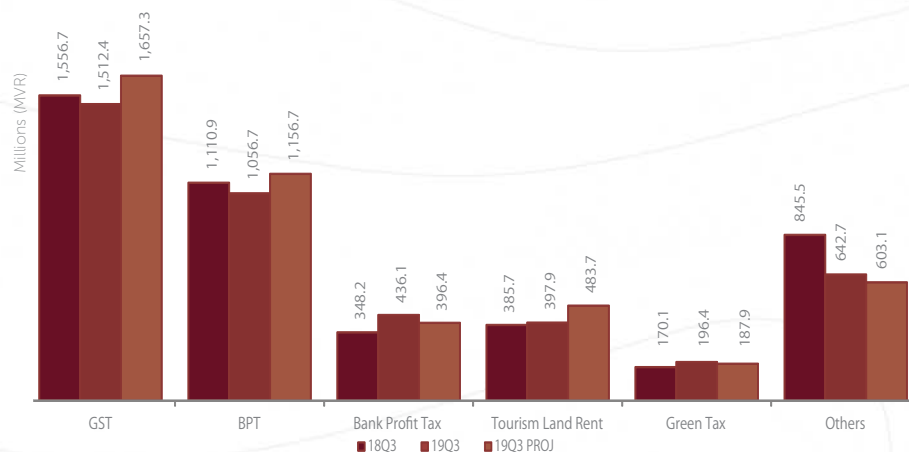
NON-TAX REVENUES

A decrement of MVR 199.70 million was observed for non-tax revenue collection when compared to 18Q3, whereas the quarterly collection declined in comparison to the forecasted revenue by MVR 39.43 million.

In 18Q3, one-off payments towards Land Acquisition and Conversion Fee for newly leased islands and Lease Period Extension Fee to extend the lease period for 99 years were received, whereas subsequent fees for Land Acquisition and Conversion Fee was received in 19Q3 and no taxpayers opted to extend the lease period in 19Q3.

Marginal decline compared to projection was observed for the quarter, due to the non-payment by few taxpayers towards the deadline of Tourism Land Rent for the 4th quarter of 2019.

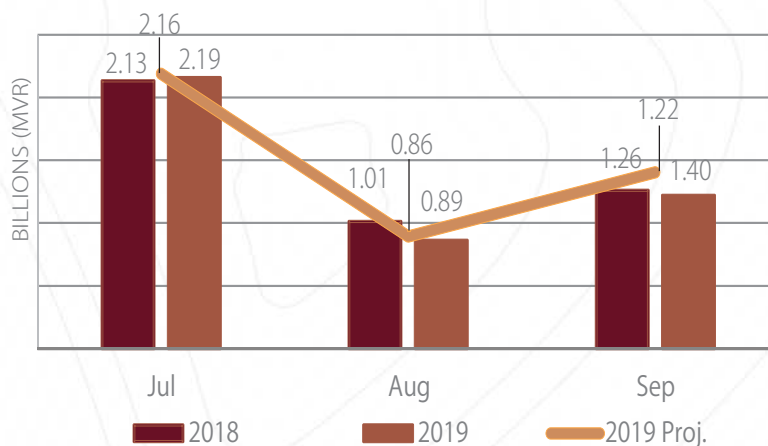
1.3 TOP FIVE REVENUE CONTRIBUTORS OF 19Q3



Revenue	Compared to 18Q3	Compared to Projection	Share of 19Q3
GST	-2.8%	-8.7%	35.7%
BPT	-4.9%	-8.6%	24.9%
BANK PROFIT TAX	+25.3%	+10.0%	10.3%
TOURISM LAND RENT	+3.2%	-17.7%	9.4%
GREEN TAX	+15.5%	+4.5%	4.6%

Top 5 revenue contributors for the quarter mutually accounted for 84.9% of the total revenue.

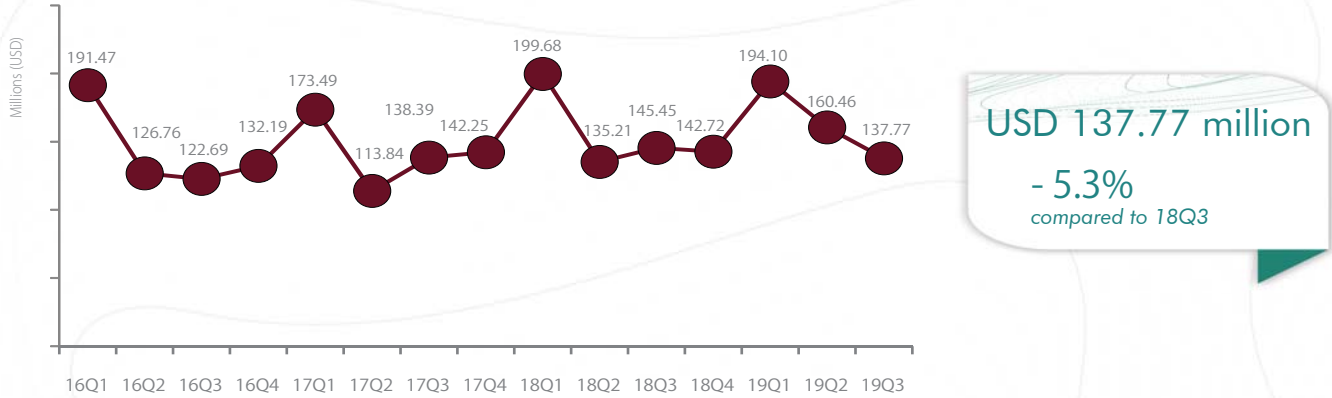
1.4 COMPARISON AGAINST 18Q3 AND PROJECTION: MONTHLY



Months	Compared to 2018	Compared to Projection
July	+1.2%	-1.3%
August	-14.8%	-3.4%
September	-3.2%	-13.0%

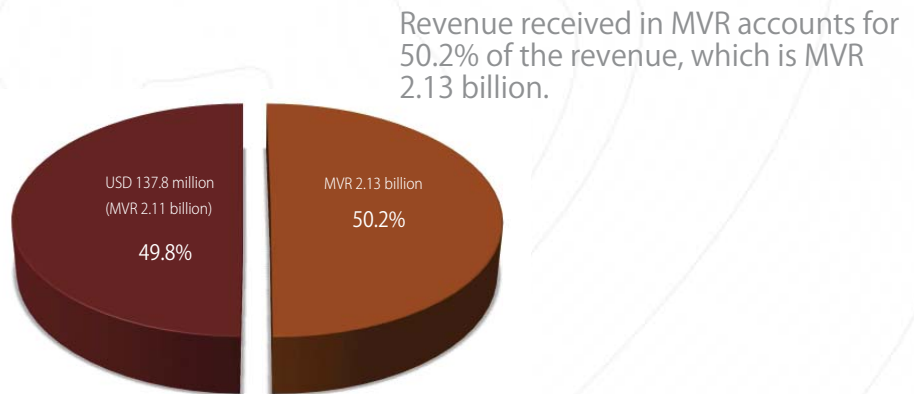
2. USD REVENUE COLLECTION

2.1 USD COLLECTION



In 18Q3, MIRA received one-off payments towards Land Acquisition and Conversion Fee for leased islands and Lease Period Extension Fee for 99 years. However, only subsequent payments were received for Land Acquisition and Conversion Fee and no taxpayers opted to extend the lease period for 99 years, which resulted the observed decrement in USD collection in comparison to 18Q2.

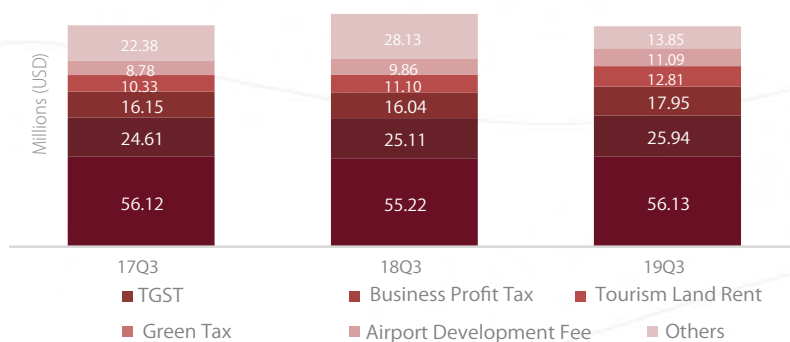
2.2 CURRENCY COMPOSITION



49.8% of the revenue was received in USD (USD 137.77 million), which is equivalent to MVR 2.11 billion.

2.3

USD REVENUE GROWTH

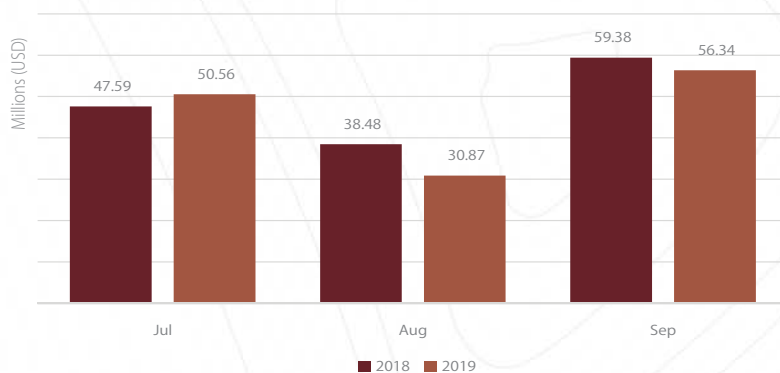


Revenue	Compared to 18Q3	Share of 19Q3
TGST	+1.6%	40.7%
TOURISM LAND RENT	+3.3%	18.8%
BPT	+11.9%	13.0%
GREEN TAX	+15.5%	9.3%
AIRPORT DEVELOPMENT FEE	+12.6%	8.1%

The top five USD contributors mutually account for 89.9% of the total USD revenue.

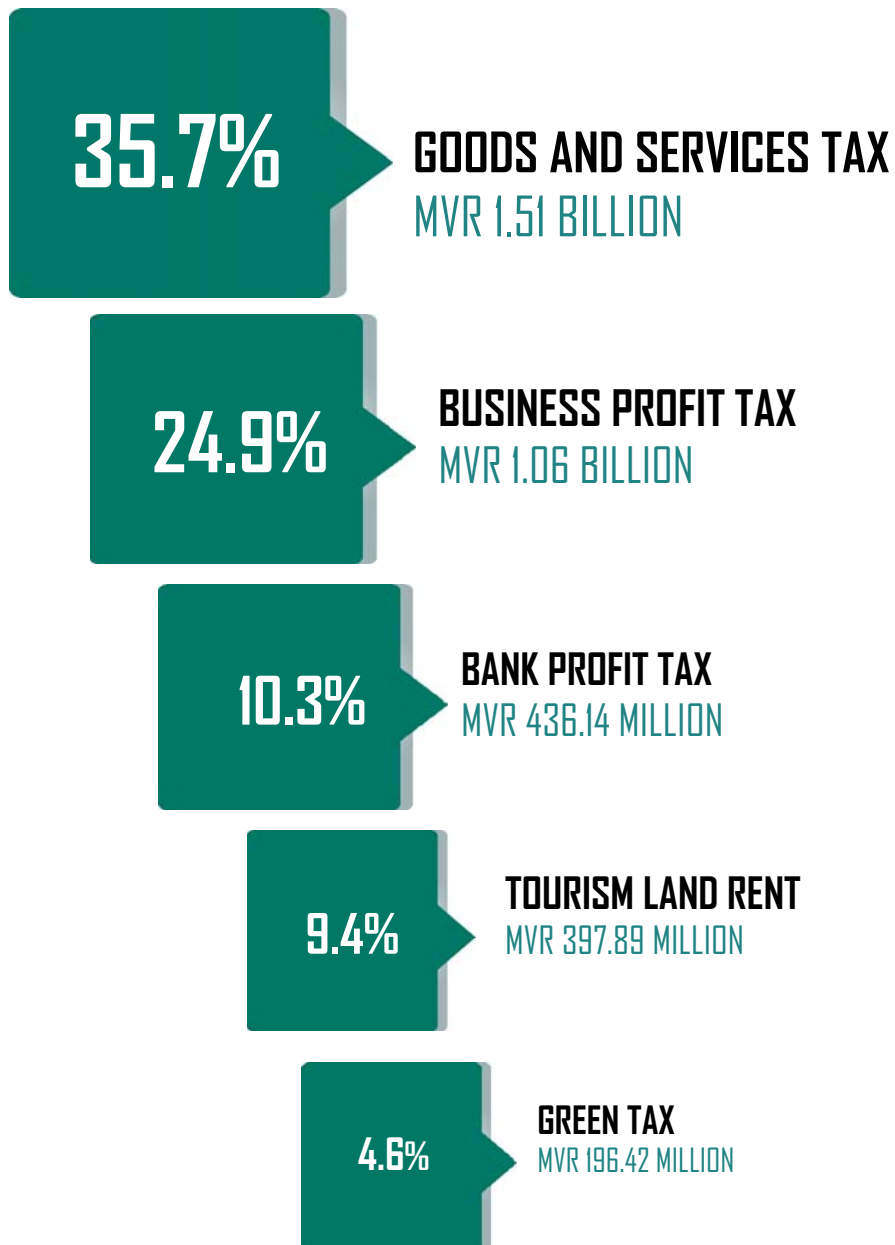
2.4

COMPARISON AGAINST 18Q3: MONTHLY



Months	Compared to 2018
July	+6.2%
August	-19.8%
September	-5.1%

TOP REVENUE CONTRIBUTORS



3.1

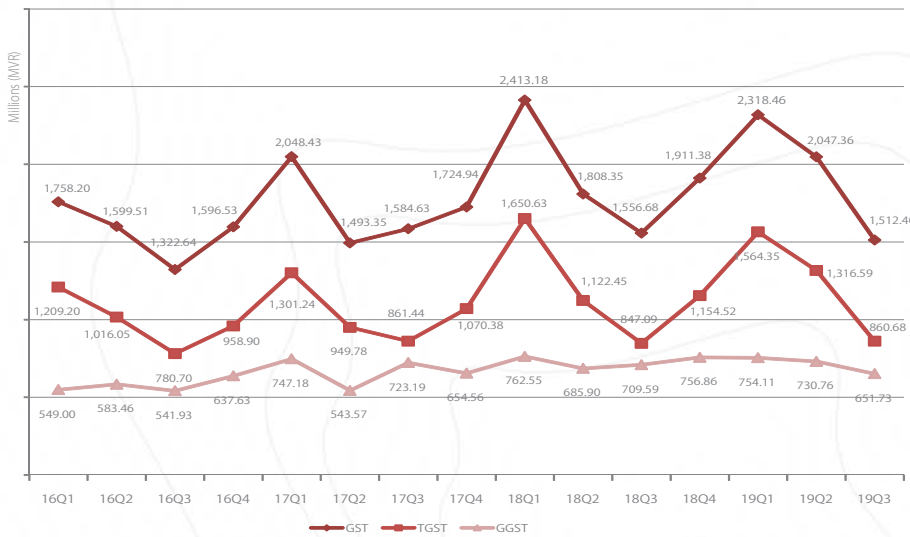
TOTAL GST COLLECTION

MVR 1.51 billion

- 2.8%
compared to 18Q3

- 8.7%
compared to projection for the quarter

56.9% of the GST collection relates to tourism sector, while the remaining 43.1% relates to the GST from general sector in 19Q3.



3.2

TGST COLLECTION

MVR 860.68 million

+ 1.6%
compared to 18Q3

- 7.3%
compared to projection for the quarter

3.3

GGST COLLECTION

MVR 651.73 million

- 8.2%
compared to 18Q3

- 10.6%
compared to projection for the quarter

3.2

TGST COLLECTION

In comparison to 18Q3, TGST collection increased as tourist arrival increased by 24% and because most of taxpayers paid by the deadline.

3.3

GGST COLLECTION

GGST revenue usually depicts an upward trend over the quarters. However, in this quarter, collection fell by 8.2% compared to the corresponding quarter, and by 10.6% compared to projection. This is mainly because of increase in non-payers, including monthly filers, during 19Q3.

3.4 TOTAL BPT COLLECTION

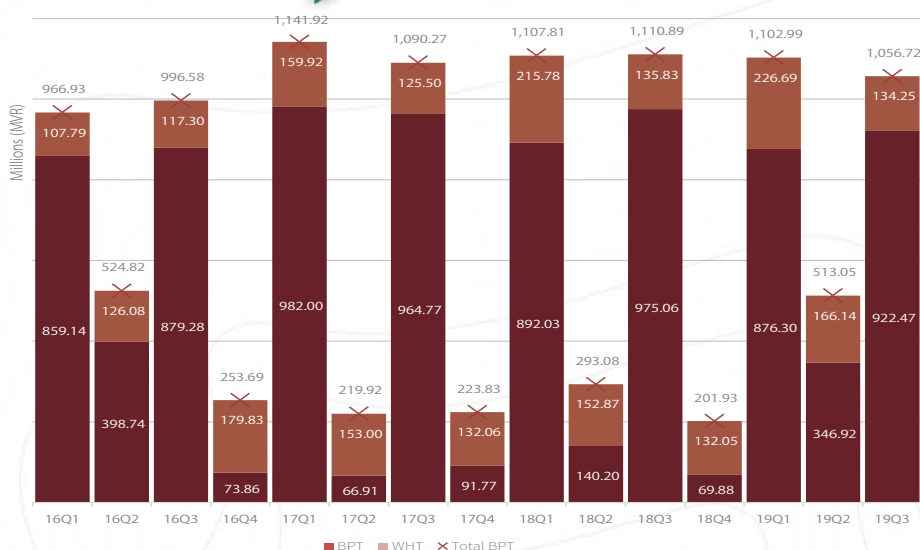
MVR 1.06 billion

- 4.9%
compared to 18Q3

- 8.6%
compared to projection for the quarter

Total BPT revenue consists of revenue received from the profit component of BPT and the collection of WHT.

In 19Q3, 87.3% of the BPT revenue relates to the profit component of while the remaining 12.7% relates to Withholding Tax revenue.



3.5 BPT PROFIT COMPONENT COLLECTION

MVR 922.47 million

- 5.4%
compared to 18Q3

- 8.9%
compared to projection for the quarter

3.6 WHT COLLECTION

MVR 134.25 million

- 1.2%
compared to 18Q3

- 6.6%
compared to projection for the quarter

The fluctuations in the total BPT revenue over the quarters is dictated by the BPT deadlines (Interim and final payment deadlines).

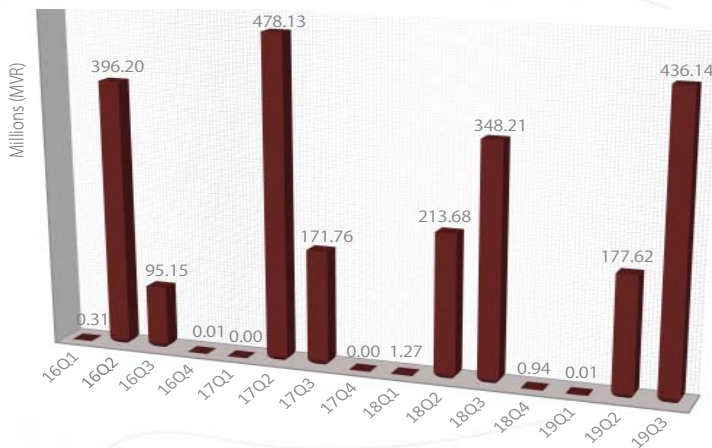
Deadline of the BPT first interim payment for tax year 2018 fell to 19Q3. However, in 19Q3 many taxpayers failed to pay first interim payment for 2019 by deadline. Because of that the quarterly collection fell compared to 18Q3. Due to this reason, the BPT collection decreased compared to projection as well.

Withholding Tax receipts in 19Q3 decreased in comparison to 18Q3. WHT receipts from Information and Communication sector, Tourism sector, and Transportation were lower compared to 19Q3, resulting in the fall in collection.

Additionally, as many taxpayers filed but did not pay during the quarter, it also resulted in a decrement in collection compared to projection figure.

3.7

Bank Profit Tax



MVR 436.14 million

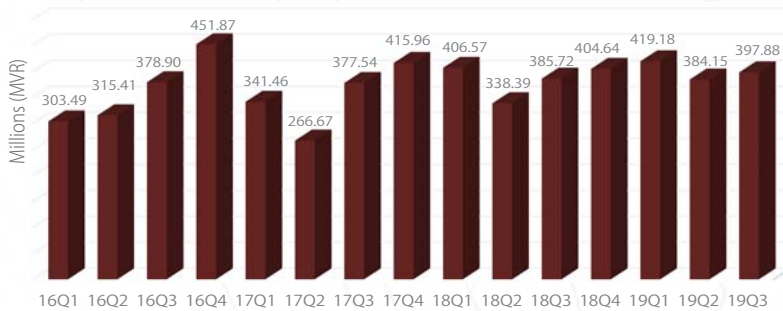
+ 25.3%
compared to 18Q3

+ 10.0%
compared to projection for the quarter

Commercial banks with the highest market share paid in 19Q3, whereas in 2018 these banks paid in the second quarter. This contributed to the positive variance observed in collection when compared to 18Q3.

3.8

Tourism Land Rent



MVR 397.88 million

+ 3.2%
compared to 18Q3

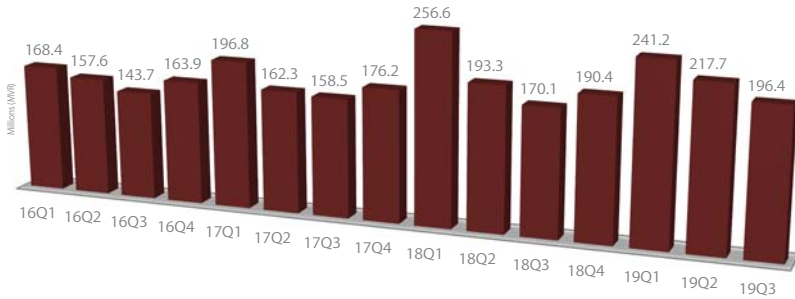
- 17.7%
compared to projection for the quarter

The deadline of Tourism Land Rent for the Fourth quarter of 2019 fell to 19Q3. As there are more taxpayers in the tax net now, Tourism Land Rent surpassed the collection of 18Q3.

However, due to non-payment of Tourism Land Rent by some of the taxpayers with developing establishments, Tourism Land Rent revenue is lower than projection.

Furthermore, pursuant to the latest amendments brought to the Tourism Act, taxpayers with developing tourist establishments can defer the Tourism Land Rent payment by opting to extend construction period. This also contributed towards the decrement in receipts compared to the projection.

3.9
Green Tax



MVR 196.42 million

+ 15.5%
compared to 18Q3

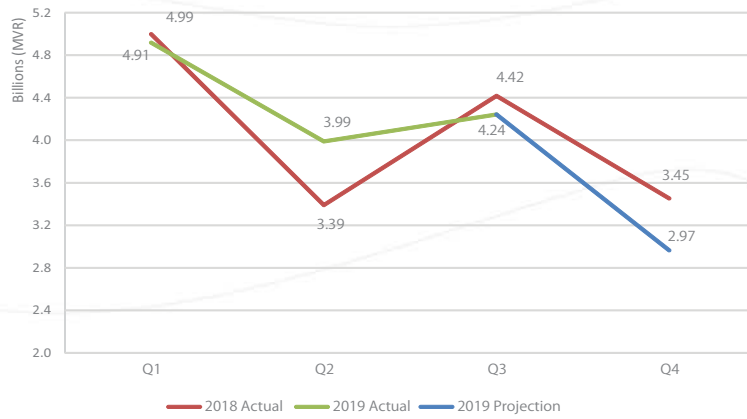
+ 4.5%
compared to projection for the quarter

Revenue from Green Tax amounts to MVR 196.42 million. The increment against 18Q3 was due to the increase in tourist arrivals compared to 2018, along with the collection of dues accrued from previous periods. Additionally, there are more taxpayers in the tax net which collectively led to this favorable outcome.

4. OUTLOOK

4.1

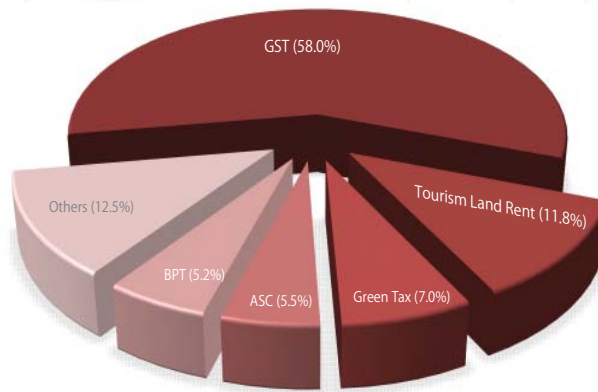
REVENUE OUTLOOK FOR 20Q1



MVR 2.97 billion is projected to be received in the fourth quarter of 2019, which is a decrement of 14.1% compared to 18Q4.

4.2

19Q4 REVENUE BREAKDOWN



GST is expected to be the major revenue contributor in 19Q4 followed by Tourism Land Rent, as the Tourism Land Rent for first quarter of 2020 is due in 19Q4. Similarly, with the prospect of more tourist arrivals, Green Tax is expected to be third highest revenue contributor. Furthermore, with expected increase in departures, Airport Service Charge is expected to be fourth highest contributor, followed by BPT.

B. ACTIVITIES DURING THE QUARTER



TAX RULINGS ISSUED

870 First Amendment to Tax Ruling TR-2018/B63



TAXPAYER AWARENESS PROGRAMS

10 MIRAcconnect
training sessions
(27 Participants)

14 training sessions
to new registrants
(48 participants)

9 information sessions
to govt offices and SOEs
(164 participants)

1 Tax Tip video
Published on social media platforms.

3 one to one session in Male'
(5 participants)

15 media interviews



COMPLIANCE

2,098 compliance visits

203 non-compliance notices issued

AUDITS AND INVESTIGATIONS

Tax type	No of audits	Additional Tax Assessed (MVR)
GGST	46	24,861,346
TGST	8	739,728
WHT	11	52,503,068
BPT	17	153,506
Green Tax	12	4,749,448
ATF	6	1,353,413
RMT	2	358,700
Total	102	84,719,208

102

AUDITS

MVR 84.7 million
ADDITIONAL TAX ASSESSED



ENFORCED COLLECTION



TOTAL ENFORCED COLLECTION MVR 353,043,535

Amount recovered under:

Dunning **MVR 190,054,904**

Reminder calls/emails **MVR 120,584,355**

Dues Clearance **MVR 42,194,546**

Through Legsl Action **MVR 143,274**

Bank Account Freezing Policy **MVR 66,456**

Final notices issued to **7,408** non-filers and **2,572** non-payers

Installment plans granted to **103** taxpayers in 19Q3



REGISTRATIONS

Category	Registrants at the beginning of the quarter	New registrants	De-registrations	Net total
Business Registrants	36,571	1,123	98	37,596
GGST	11,444	361	68	11,737
TGST	1,891	71	10	1,952
Green Tax	985	41	12	1,014
Remittance Tax	26	-	-	26
Airport Service Charge	43	-	-	43
Bank Profit Tax	8	-	-	8

OBJECTIONS

18

objections received

5 GGST
1 TGST
9 BPT
2 WHT
1 RMT



LEGAL ACTIONS



 **2** cases filed by MIRA

 **10** judgements passed in favour of MIRA

 **3** case filed against MIRA

 **1** judgements passed against MIRA

HR MANAGEMENT



297

staff working at MIRA
at the end of the quarter

8

staff recruited during the quarter

7

staff terminated/ released during the quarter

TRAININGS AND CONFERENCES



Overseas

1 Conferences/Seminars
4 participants

9 Trainings
24 participants

Staff Development Programs

5 Trainings
13 participants

Induction Programs

1 Training
24 Participants

C. QUARTER IN PICTURES

Jul 8

Kicked off Vaaru-Foari Inter School Quiz competition



Jul 30

MIRA staff participated in the Friendship Day event organized by Ministry of Home Affairs



Aug 2

Celebrated MIRA's 9th Anniversary



Aug 4

MIRA held an Open Day to celebrate 9th anniversary as part of MIRA's Tax week-2019



Aug 6

Blood Donation camp held in collaboration with Maldives Blood Services as part of Tax week



Aug 20

Prize winners from Open Day 2019 were handed their prizes



Aug 28

MIRA took part in Maldives Accountants Forum



Sep 19

Conducted a session on Taxation in Maldives to Directors of CMDA



D. DETAILED REVENUE FIGURES

Table I Total Revenue Contribution, 19Q3 and Comparison Against 18Q3 (MVR)

Description	19Q3	18Q3	Growth	% Share
TAX REVENUES	3,405,779,251	3,380,955,469	0.7%	80.3%
Airport Service Charge	168,012,442	151,224,215	11.1%	4.0%
Bank Profit Tax	436,144,844	348,208,941	25.3%	10.3%
BPT	922,474,421	975,060,571	-5.4%	21.7%
Green Tax	196,421,836	170,119,139	15.5%	4.6%
GGST	651,726,399	709,591,268	-8.2%	15.4%
TGST	860,678,142	847,090,428	1.6%	20.3%
Land Sales Tax	9,502,356	10,402,430	-8.7%	0.2%
Remittance Tax	24,910,721	23,093,829	7.9%	0.6%
Revenue Stamp	1,661,114	10,336,424	-83.9%	0.0%
WHT	134,246,975	135,828,225	-1.2%	3.2%
NON-TAX REVENUES	836,451,858	1,036,147,244	-19.3%	19.7%
Airport Development Fee Charge	171,055,887	151,763,145	12.7%	4.0%
Business Permits ¹	6,782,036	6,851,907	-1.0%	0.2%
Construction Period Extension Fee	-	35,689,305	-100.0%	0.0%
Corporate Social Responsibility Fee	22,143,245	-	-	0.5%
Fines	43,160,516	40,027,938	7.8%	1.0%
Land Acquisition and Conversion Fee	3,403,258	149,488,660	-97.7%	0.1%
Lease Period Extension Fee	-	76,700,000	-100.0%	0.0%
Non-tourism Property Income ²	29,429,334	30,680,829	-4.1%	0.7%
Ownership Transfer Tax	152,850	-	-	0.0%
Proceeds from Sale of Assets ³	7,083,290	18,482,829	-61.7%	0.2%
Resident Permit	80,136,410	77,177,750	3.8%	1.9%
Royalties ⁴	19,626,332	17,669,216	11.1%	0.5%
Tourism Administration Fee	-	3,069,000	-100.0%	0.0%
Tourism Land Rent	397,881,856	385,721,427	3.2%	9.4%
Vehicle Fee	24,339,755	22,693,100	7.3%	0.6%
Vessels Fee	6,404,671	6,320,243	1.3%	0.2%
Zakat Al-Mal	23,760,566	13,119,134	81.1%	0.6%
Others ⁵	1,091,852	692,760	57.6%	0.0%
Total	4,242,231,109	4,417,102,712	-4.0%	100%

¹ **Business Permits:** Company Annual Fee, Restaurant, Café, Canteen Fee, Flat Maintenance Fee, Partnership Fees, Import Trade Fee, Co-operative Society Fees, Sole Trader Registration Fee, Trade Registry Fee, Foreign Investment Administration Annual Fee, Company Registration Fee, Foreign Business Fee, Dive School Registration Fee, Guest House Registration Fee, Other Registrations & License, Motor Vehicle and Vessel, Bank Mortgage Registration Fee, Sale of Tender Documents, Sale of Pass

² **Non-tourism Property Income:** Uninhabited Islands Rent, Government Buildings Rent, Commercial Land Rent, Rent from land for Industry, Longterm Agricultural leased islands rent, Rent from Floating Jetty, Uninhabited Islands Administration Fee

³ **Proceeds from Sale of Assets:** Sale of items at auction, Sale of Government Buildings, Sale of Government Lands

⁴ **Royalties:** Duty Free Royalty, Foreign Investment Royalty, Fishing Royalty, Fuel re-export Royalty, Re-Export Royalty, Yellowfin Tuna Export Royalty, Skipjack Industry Royalty

⁵ **Others:** Other Registration and License fees, Reimbursement from previous year's budget, Sadaqa/Donation, Loan repayment & National student loan

Table 2 Total USD Revenue Contribution, 19Q3(USD)

Description	19Q3	% Share
TGST	56,125,332	40.7%
Tourism Land Rent	25,941,862	18.8%
BPT	17,948,303	13.0%
Green Tax	12,811,011	9.3%
Airport Development Fee	11,093,226	8.1%
Others	13,852,294	10.1%
Total	137,772,027	100%

* Others: Airport Service Charge, Business Permits, BPT, Fines, Construction Period Extension Fee, CSR Fee, Land Acquisition and Conversion Fee, Royalties, Ownership Transfer Tax, Tourism Administration Fee, Other fees and charges, Vessel Fee

Table 3 Comparison Against Projection (MVR)

Description	Actual 19Q3	Projection 19Q3	% Variance
TAX REVENUES	3,405,779,251	3,609,215,185	-5.6%
Airport Service Charge	168,012,442	158,138,983	6.2%
Bank Profit Tax	436,144,844	396,403,697	10.0%
BPT	922,474,421	1,012,939,759	-8.9%
Green Tax	196,421,836	187,907,356	4.5%
GGST	651,726,399	729,306,262	-10.6%
TGST	860,678,142	928,005,132	-7.3%
Land Sales Tax	9,502,356	13,790,131	-31.1%
Remittance Tax	24,910,721	27,282,684	-8.7%
Revenue Stamp	1,661,114	11,710,299	-85.8%
WHT	134,246,975	143,730,881	-6.6%
NON-TAX REVENUES	836,451,858	875,878,364	-4.5%
Airport Development Fee	171,055,887	158,138,983	8.2%
Business Permits ¹	6,782,036	5,635,509	20.3%
Construction Period Extension Fee	-	14,985,750	-100.0%
Corporate Social Responsibility Fee	22,143,245	-	-
Fines	43,160,516	37,502,725	15.1%
Land Acquisition and Conversion Fee	3,403,258	6,788,049	-49.9%
Lease Period Extension Fee	-	-	-
Non-tourism Property Income ²	29,429,334	35,067,892	-16.1%
Ownership Transfer Tax	152,850	153,400	-0.4%
Proceeds from Sale of Assets ³	7,083,290	9,479,504	-25.3%
Resident Permit	80,136,410	71,650,018	11.8%
Royalties ⁴	19,626,332	18,536,885	5.9%
Tourism Administration Fee	-	3,202,083	-100.0%
Tourism Land Rent	397,881,856	483,678,356	-17.7%
Vehicle Fee	24,339,755	24,393,152	-0.2%
Vessels Fee	6,404,671	6,666,057	-3.9%
Zakat Al-mal	23,760,566	-	-
Others ⁵	1,091,852	-	-
Total	4,242,231,109	4,485,093,548	-5.4%

¹ Refer to Table 1 footnotes for details

Table 4 Multi-year Summary (MVR in millions)

Description	Actual 16Q3	Actual 17Q3	Actual 18Q3	Actual 19Q3
TAX REVENUES	2,692.8	3,200.4	3,381.0	3,405.8
Airport Service Charge	118.0	139.7	151.2	168.0
Bank Profit Tax	95.1	171.8	348.2	436.1
BPT	879.3	964.8	975.1	922.5
Green Tax	143.7	158.5	170.1	196.4
GGST	541.9	723.2	709.6	651.7
TGST	780.7	861.4	847.1	860.7
Land Sales Tax	4.4	15.9	10.4	9.5
Remittance Tax	-	27.0	23.1	24.9
Revenue Stamp	12.3	12.6	10.3	1.7
Tourism Tax	-	-	-	-
WHT	117.3	125.5	135.8	134.2
NON-TAX REVENUES	769.0	779.5	884.4	836.5
Airport Development Fee	-	-	151.8	171.1
Business Permits ¹	5.2	4.7	6.9	6.8
Construction Period Extension Fee	-	10.6	35.7	-
Corporate Social Responsibility Fee	-	-	-	22.1
Fines	119.8	37.7	40.0	43.2
Land Acquisition and Conversion Fee	96.8	165.7	149.5	3.4
Lease Period Extension Fee	22.9	4.8	76.7	-
Non-tourism Property Income ²	31.6	38.9	30.7	29.4
Ownership Transfer Tax	-	0.3	-	0.2
Proceeds from Sale of Assets ³	1.5	5.6	18.5	7.1
Resident Permit	63.2	62.3	77.2	80.1
Royalties ⁴	17.8	18.4	17.7	19.6
Tourism Administration Fee	-	7.7	3.1	-
Tourism Land Rent	378.9	377.5	385.7	397.9
Vehicle Fee	17.5	21.7	22.7	24.3
Vessels Fee	5.2	7.0	6.3	6.4
Zakat Al-mal	8.1	15.5	13.1	23.8
Others ⁵	0.5	1.1	0.7	1.1
Total	3,461.8	4,114.7	4,417.1	4,242.2

Table 5 Reported Sales from Tourism Categories (USD)

Description	19Q3	18Q3	Growth
Tourist Resort	570,900,342	616,227,172	7.9%
Domestic Air Transport	47,695,557	56,575,489	18.6%
Tour Operator	52,315,831	56,090,050	7.2%
Tourist Hotel	13,732,440	14,686,931	7.0%
Diving School	10,263,846	11,517,373	12.2%
Tourist Guest House	9,401,484	10,748,017	14.3%
Tourist establishments under construction	5,550,470	8,465,230	52.5%
Tourist Vessel	8,066,188	7,434,900	-7.8%
Water Sports Facility	3,784,548	4,734,330	25.1%
Other Facility	3,004,720	2,840,415	-5.5%
Spa	2,696,880	2,734,401	1.4%
Shop	2,139,184	2,085,882	-2.5%
Foreign Tourist Vessel	438,971	351,327	-20.0%
	729,990,463	794,491,517	8.8%



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